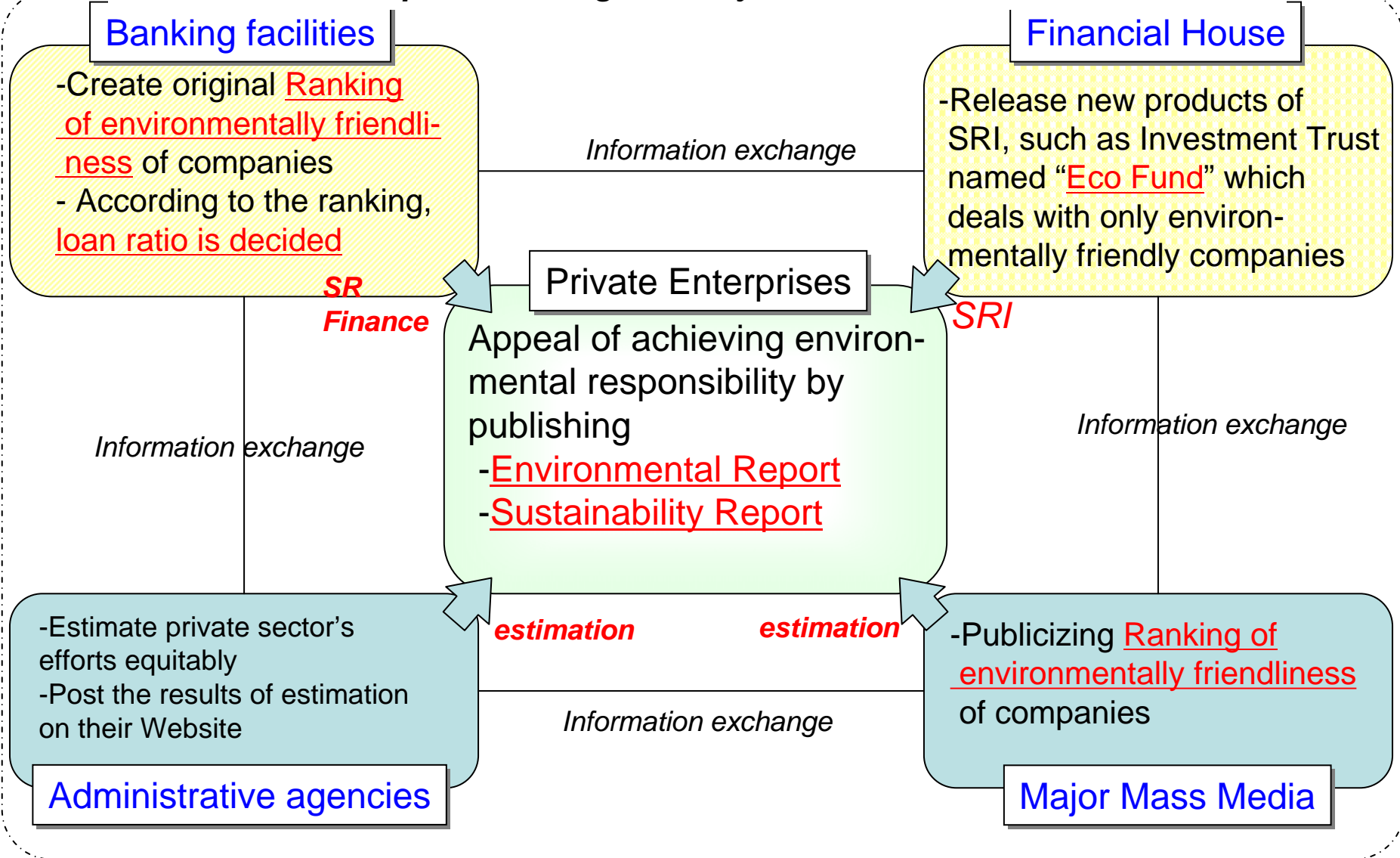


# Enhancement of Opportunities for Corporate Social Responsibility

*environmental corporate management system built in a market mechanism*



**MLIT-Japan will encourage the logistics matters to be estimated in this mechanism through "Green Logistics Comprehensive Program"**

## Inductive Measures

- Green Logistics Comprehensive Program
- Green Management Certification System

## Regulatory Measures

- Taxation or Penalties
- *Impose Tax or Penalty Uniformly by Gross or by Unit Consumption ?*

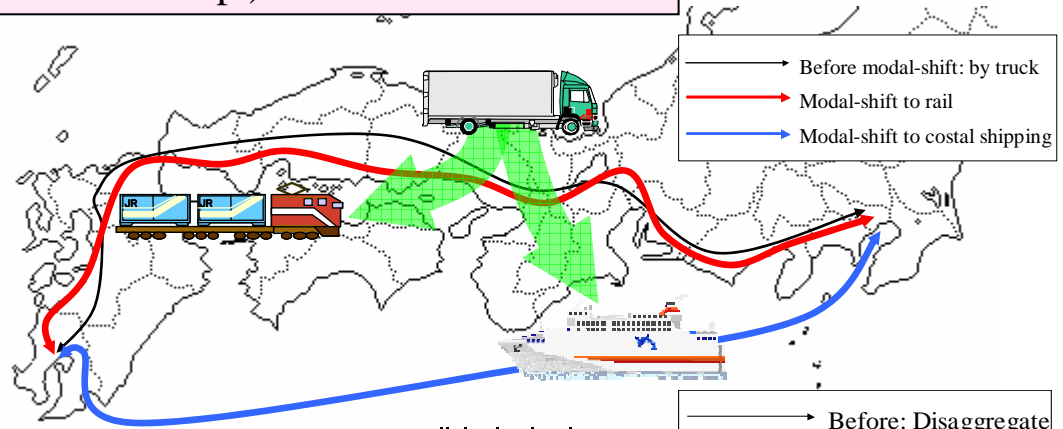
Measures should be chosen carefully.

Policy Mix, as Appropriate

# Pilot Project Aimed at Establishment of Environmentally Friendly Logistics System

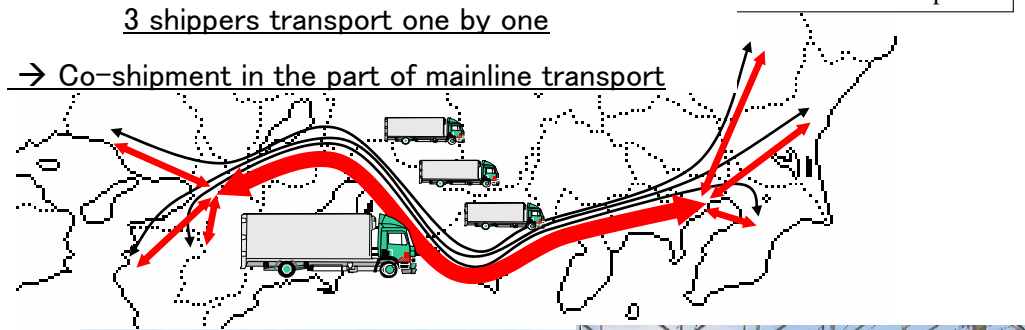
Regarding mainline goods transportation, MLIT-Japan provides subsidies to pilot projects that are conducted collaboratively by related firms such as shippers and logistics providers (One third of the initial cost for startup )

(1) Truck → Rail/Costal Shipping  
(Modal-shift)



(2) Consolidation by LEVs  
(Further efficient Transportation by truck)

LEV: Low Emission Vehicle



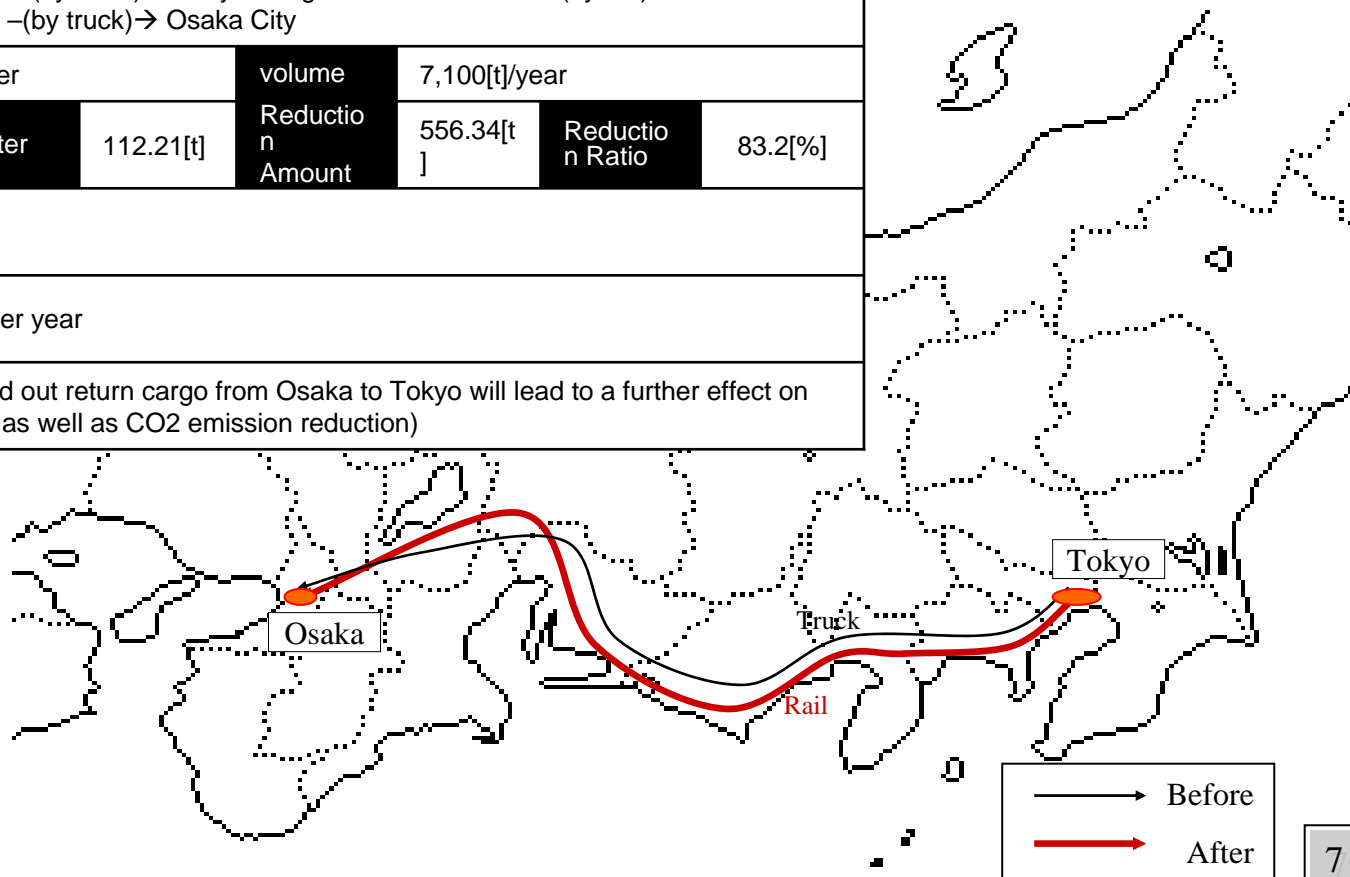
(3) Installation of innovative technologies

- Super Eco Ship
- Super Rail Cargo  
(Express train for container transport)
- Large scale and low emission vehicles etc



# Case Example of Pilot Project (1/2)

|                         |  |  |                    |  |                  |           |                 |         |
|-------------------------|--|--|--------------------|--|------------------|-----------|-----------------|---------|
| Project Codename        | Enlargement of rail transportation between Tokyo and Osaka by improvement of 31ft Container  |  |                    |  |                  |           |                 |         |
| Project Outline         | -Modal-shift to railways from mainline truck transportation<br>-Improvement of existing 31ft containers  |  |                    |  |                  |           |                 |         |
| Declarer                | Shipper  | Canon Ltd.,  | Logistics Provider | NIPPON Express Ltd.,<br>Kanto Branch, Japan Freight Railways Company |                  |           |                 |         |
| Project Period          | November 2003 – November 2004, for one year  |  |                    |  |                  |           |                 |         |
| Transportation Route    | Before   | Ohta-ku, Tokyo –(by truck)→ Osaka City   |                    |  |                  |           |                 |         |
|                         | After  | Ohta-ku, Tokyo –(by truck)→ Tokyo Freight Terminal Station –(by rail)→ Umeda Freight Station –(by truck)→ Osaka City |                    |  |                  |           |                 |         |
| Cargo                   | Goods  | Scanner, Printer   |                    | volume   | 7,100[t]/year    |           |                 |         |
| Annual CO2 Emissions    | Before   | 668.55[t]  | After              | 112.21[t]  | Reduction Amount | 556.34[t] | Reduction Ratio | 83.2[%] |
| Requirement for subsidy | 2,000,000 JPY  |  |                    |  |                  |           |                 |         |
| Performance per cost    | 278.17 [t]/1[million JPY] per year   |  |                    |  |                  |           |                 |         |
| Remarks                 | One way transport (To find out return cargo from Osaka to Tokyo will lead to a further effect on efficiency of rail transport as well as CO2 emission reduction) |  |                    |  |                  |           |                 |         |



# Case Example of Pilot Project (2/2)

|                                |  |  |              |                           |   |           |                        |         |
|--------------------------------|--|--|--------------|---------------------------|---|-----------|------------------------|---------|
| <b>Project Codename</b>        | Improvement of truck transportation efficiency between Kanto and Kansai district by the installation of special rack   |  |              |                           |   |           |                        |         |
| <b>Project Outline</b>         | -Shift disaggregate transportation(s) by 4tons vehicles between Tokyo and Osaka to co-shipment of five companies onto 15tons vehicle<br>-Assort consolidated cargos per shipper onto special rack, and manage goods by RFID tags |  |              |                           |   |           |                        |         |
| <b>Declarer</b>                | <b>Shipper</b>   | Nippon Steel and SUMIKIN Welding Co.,Ltd. and other four companies   |              | <b>Logistics Provider</b> | NIPPON Steel Logistics Co.,Ltd. and other two companies |           |                        |         |
| <b>Project Period</b>          | October 2004 – September 2005, for one year  |  |              |                           |   |           |                        |         |
| <b>Transportation Route</b>    | <b>Before</b>  | (1)Four cities in Kanto district –(by truck)→ various locations in Kansai district<br>(2)Amagasaki and Higashi-Osaka City in Kansai district –(by truck)→ anywhere in Kanto  |              |                           |   |           |                        |         |
|                                | <b>After</b>   | (1) Four cities in Kanto district –(4t vehicle)→ <u>Logistics Centers in Kanto</u> <sup>1</sup> –(15t vehicle)→ <u>Logistics Centers in Kansai district</u> <sup>2</sup> –(4t vehicle)→ various locations in Kansai<br>(2)Amagasaki, Higashi-Osaka City –(4t vehicle)→Logistics Centers in Kansai –(15t vehicle)→ Logistics Centers in Kanto –(4t vehicle)→ various locations in Kanto |              |                           |   |           |                        |         |
| <b>Cargo</b>                   | <b>Goods</b>   | Secondary elaborated goods of steel lumber   |              | <b>volume</b>             | (1)17,000[t]/year<br>(2)17,000[t]/year                  |           |                        |         |
| <b>Annual CO2 Emissions</b>    | <b>Before</b>  | 3638.4[t]  | <b>After</b> | 2247.2[t]                 | <b>Reduction Amount</b>                                 | 1391.2[t] | <b>Reduction Ratio</b> | 38.2[%] |
| <b>Requirement for subsidy</b> | 14,333,333 JPY   |  |              |                           |   |           |                        |         |
| <b>Performance per cost</b>    | 97.1 [t]/1[million JPY] per year   |  |              |                           |   |           |                        |         |
| <b>Remarks</b>                 |  |  |              |                           |   |           |                        |         |

